

Internal Revenue Service

Department of the Treasury

District  
Director

Person to Contact:

Telephone Number:

Refer Reply to:

Date:

AUG 21 1985

Gentlemen:

We have considered your application for exemption from Federal income tax as an organization described in section 501(c)(3) of the Internal Revenue Code of 1954.

The information submitted discloses that you were incorporated under the nonprofit corporation laws of the State of [REDACTED] on [REDACTED].

You state that your purposes are to perpetuate the memory and genealogy of the decedents of [REDACTED].

Your activities include the preparation throughout any given year of a directory of association members which includes member's genealogical lineages as far as is known. A quarterly newsletter is prepared containing items of historical interest to association members and news of forthcoming activities as well as genealogical queries submitted by members. You plan to establish a library containing genealogical material relating to the [REDACTED] either in [REDACTED] or [REDACTED]. Much of your annual activity time is devoted to the planning of an international reunion. Your first [REDACTED] Reunion occurred on [REDACTED], in [REDACTED], at which time speakers explored family genealogy and history. Another similar reunion is planned for [REDACTED] which, again, shall take place at [REDACTED].

In return for a one-time application fee and annual dues, your members are entitled to receive quarterly newsletters, notification of plans for future reunions, and receive new information about the [REDACTED] lineage and history. Duties and responsibilities of members are to submit to the association all known data regarding their lineage in the [REDACTED] line and to continue their research for the mutual benefit of [REDACTED] decendants.

Section 501(c)(3) of the code provides for exemption from Federal income tax of organizations organized and operated exclusively for charitable or educational purposes.

Moreover, an organization is not organized or operated exclusively for one or more of the purposes specified in section 501(c)(3) unless it serves a public rather than a private interest. To meet this requirement, it is necessary for an organization to establish that it is not organized or operated for the benefit of private interests.

Section 1.501(c)(3)-1(d)(3) of the Regulations defines the term "educational" as including the instruction or training of the individual for the purpose of improving or developing his capabilities, or the instruction of the public on subjects useful to the individual and beneficial to the community.

Revenue Ruling 71-580, 1971-2 C.B. 235, holds that a nonprofit organization formed by members of a particular family to compile genealogical research data on the family in order to perform religious ordinances of the religious denomination to which the family members belong is exempt from Federal income tax under section 501(c)(3) of the Code.

Revenue Ruling 80-301, 1980-2, C.B. 180, holds that a genealogical society whose membership is open to all persons in a particular area and that provides instruction in genealogical research techniques is operated exclusively for educational purposes and qualifies for exemption under section 501(c)(3) of the Code.

The Callaway Family Association, Inc. v. Commissioner, 71 T.C. 340 (1978), held that a family association formed as a nonprofit organization to study immigration to and migration within the United States by focusing on its own family history and genealogy does not qualify for exemption under section 501(c)(3) of the Code. The association's activities included researching the genealogy of its members for the ultimate purpose of publishing a family history. The court stated that the association's family genealogical activities were not insubstantial and were not in furtherance of an exempt purpose. Rather, they served the private interests of the members. Thus, the association was not operated exclusively for exempt purposes.

Revenue Ruling 80-302 discusses an organization which was formed to locate, acquire, restore and preserve all available genealogical records of a particular family. Its membership was limited to the lineal or legal descendants of the family. The organization's primary activity was the compilation of genealogical data of its members. This data was recorded and documented by the organization and made available for a fee, generally to family members, upon request. Other activities of the organization included holding periodic reunions for family members. This ruling held that the conduct of genealogical activities primarily for members of a particular family does not meet public purposes and consequently the organization did not qualify for exemption under section 501(c)(3) of the Internal Revenue Code.

[REDACTED]

Your organization is not similar to the organization discussed in Revenue Ruling 71-580 in that you do not conduct genealogical research on the [REDACTED] family in order to perform religious ordinances of a religious demonination. Also, membership is not open to members of a geographical area and the primary focus of your activities is not the instruction in genealogical research techinques as in the case of the organization discussed in Revenue Ruling 80-301. Because you conduct genealogical activities primarily for members of a particular family, these activities do not constitute exempt activities in furtherance of a public purpose.

Accordingly, since your organization's activities serve the private interests of your members rather than an exempt public purpose, we hold that your organization does not qualify for exemption under section 501(c)(3) of the Internal Revenue Code.

As provided by section 6104(c) of the Internal Revenue Code of 1954 and the applicable regulations, the appropriate State officials are being notified of our determination.

Until such time as you establish your exempt status for Federal income tax purposes, contributions made to you are not deductible by the donors on their individual tax returns.

If you are in agreement with this proposed determination, we request that you sign and return the enclosed agreement Form 6018. Please note the instructions for signing on the reverse side of this form.

If you are not in agreement with this proposed determination, we recommend that you request a hearing with our office of Regional Director of Appeals. Your request for a hearing should include a written appeal giving the facts, law, and any other information to support your position as explained in the enclosed Publication 892. You will then be contacted to arrange a date for a hearing. The hearing may be held at the office of Regional Director of Appeals or, if you request, at a mutually convenient District Office. A self-addressed envelope is enclosed.

If we do not hear from you within 30 days from the date of this letter, and you do not protest this proposed determination in a timely manner, it will be considered by the Internal Revenue Service as a failure to exhaust available administrative remedies and will then become our final determination. Section 7428(b)(2) of the Internal Revenue Code provides in part that, "A declaratory judgement or decree under this section shall not be issued in any proceeding unless the Tax Court, the Court of

[REDACTED]

Claims, or the district court of the United States for the District of Columbia determines that the organization involved has exhausted administrative remedies available to it within the Internal Revenue Service."

Sincerely yours,

[REDACTED]  
District Director

Enclosures:  
Publication 892  
Form 6018

[REDACTED]